



NEBRASKA SCHEDULE I — Enterprise Zone Credit Computation
FOR TAX YEARS AFTER 2003
• Attach this schedule to Form 3800N

FORM
3800N

Name as Shown on Return

Social Security No. or Nebraska I.D. No.

Location Address

Enterprise Zone

QUALIFIED NEBRASKA EMPLOYEE CALCULATION (see instructions)

Business Began in NE: / / Indicate your NE Withholding Tax No.: 21- _____	(A) Total Hours Paid	(B) Full-Time Equivalent Nebraska Employees	
1 Equivalent Nebraska employees for current year			1 .
2 Equivalent Nebraska employees for first preceding year	2	.	
3 Equivalent Nebraska employees for second preceding year	3	.	
4 Equivalent Nebraska employees for third preceding year	4	.	

ENTERPRISE ZONE RESIDENT EMPLOYEE CALCULATION (see instructions)
Include only employees residing in enterprise zone.

5 Equivalent Nebraska employees for current year		5 .
6 Equivalent Nebraska employees for first preceding year	6 .	
7 Equivalent Nebraska employees for second preceding year	7 .	
8 Equivalent Nebraska employees for third preceding year	8 .	

NEBRASKA QUALIFIED INVESTMENT CALCULATION

Attach worksheet calculating your current end-of-year total Nebraska qualified investment.	Enter Tax Year mo. / day / yr.		TOTAL NEBRASKA QUALIFIED INVESTMENT		(C) AVERAGE (Divide Total of Columns A and B by 2)
	Beg. Year	Year End	(A) Beginning of Year	(B) End of Year	
9 Current year	/ /	/ /	\$	\$	9 \$
10 First preceding year	/ /	/ /			10
11 Second preceding year	/ /	/ /			11
12 Third preceding year	/ /	/ /			12
13 Amount of Nebraska sales and use tax refunds claimed to date					13
14 Amount of recapture (see instructions)					14
15 Total of your distributed credit amount from line 33, Form 3800N					15
16 Total Nebraska enterprise zone credit carried forward from earlier years (List years: _____)					16
17 Total available credit amounts (total of lines 15 and 16; minus lines 13 and 14)					17 \$
18 Credits used to reduce income tax liability, enter on line 26, Form 3800N (see instructions)					18
19 Amount of credits distributed to partners, shareholders, and beneficiaries on line 32, Form 3800N					19
20 Total Nebraska enterprise zone credit to be carried forward (line 17 minus lines 18 and 19)					20 \$

INSTRUCTIONS

SPECIAL NOTE. Credits for tax year 2004 or later are not available unless an LB 608 application was filed with the Nebraska Department of Revenue. For information concerning the application see the department's Web site at www.revenue.state.ne.us.

Every taxpayer who received increased enterprise zone credits for 2002 or 2003 must file this schedule and Form 3800N.

This schedule is for those taxpayer with a business location in an enterprise zone, designated by the Nebraska Department of Economic Development. This schedule is to be filed as an attachment to the Form 3800N. You must complete lines 1 through 4 and lines 13 through 31 on the Form 3800N, along with this schedule, before enterprise zone credits will be allowed.

These instructions are to be read in addition to the Form 3800N instructions. Both sets of instructions apply to the enterprise zone credits allowed including instructions for multiple locations or related parties.

WHO MUST FILE. Every taxpayer who elects the increased credits available for a business in an enterprise zone rather than the regular credits under the Employment Expansion and Investment Incentive Act must file this schedule. The schedule must also be filed for each of the two years after the year in which increased enterprise zone credits were received.

QUALIFYING BUSINESSES. In addition to the Qualifying Businesses for LB 270, qualifying businesses in enterprise zones not in a metropolitan or primary city include any individual or association of individuals licensed to practice medicine and surgery or osteopathic medicine and surgery whose practice is in the primary care areas of family practice, general practice, general internal medicine, general pediatrics, general surgery, or obstetrics and gynecology.

EMPLOYMENT INCREASE ONLY. For tax year 2003 and earlier if during the last five years the taxpayer has received credits for both investment and employment at a location that is now within an enterprise zone, additional employment increases may qualify for the increased enterprise zone credits.

SPECIFIC INSTRUCTIONS

LINES 1, 2, 3, AND 4. These lines are used to compute the increase in employment for the location.

COLUMN A TOTAL HOURS PAID. Enter the total hours for all employees worked during the current tax year and the preceding three tax years.

If you have **no** employees and lease employees from a qualified employee leasing company, include the hours worked by the leased employees during the current year and the three prior years.

COLUMN B FULL-TIME EQUIVALENT NEBRASKA EMPLOYEES. Divide the amount in Column A by 40 times the number of weeks in the year. Calculate to one decimal point and enter this amount in Column B. For example, if the taxpayer's employees were paid for 44,000 hours during the year and the year was 52 weeks, 44,000 would be entered in Column A, and 21.2 in Column B. $[44,000 \div (40 \times 52) = 21.15]$

LINES 5, 6, 7, and 8. These lines are used to compute the increase in employment of persons residing in the enterprise zone. Complete these lines in the same manner as lines 1 through 4 were completed, but only include those hours paid to employees who resided in the enterprise zone. If an employee moved, include the hours paid while the employee was a resident of the enterprise zone. Do not include the hours paid while the employee resided outside the enterprise zone.

LINES 9, 10, 11, and 12. Enter in columns, A, B, and C the beginning, ending, and average amounts of investment in the current year and the three preceding years. This includes only investment in improvements to real property and tangible personal property that are depreciable under the Internal Revenue Code. **Do not include land, vehicles, planes, or railroad rolling stock.** The value of the property owned by the taxpayer is its tax basis before depreciation. Property rented is to be valued at the annualized rent, multiplied by eight, on each of the measuring points. Do not use rental expense to value rental property.

LINE 14. You may be subject to recapture of your credit if any of the following conditions exist:

- You previously had recapture of credits earned in the last two years;
- Your number of employees in the enterprise zone for the current year is less than in the year the credit was earned;
- Your number of employees in the enterprise zone who were residents of the enterprise zone for the current year is less than in the year the credit was earned; or
- The end of the year qualified investment in the enterprise zone for the current year is less than in the year the credit was earned.

If any of the above conditions apply, contact the Nebraska Department of Revenue, P.O. Box 94818, Lincoln, Nebraska 68509-4818, or telephone (402) 471-5753 for further instructions.

LINE 18. This is a nonrefundable credit. Enter only the amount of credit necessary to reduce income tax liability to zero. Also enter this amount on line 35 of Form 3800N.